

EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

JUNE 26, 1956.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted
the following

CONFERENCE REPORT

[To accompany H. R. 9852]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9852) to extend the Defense Production Act of 1950, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, and 6, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In the sixth line of the matter proposed to be inserted by the Senate amendment, strike out "promote" and insert *encourage*; and the Senate agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ALBERT RAINS,
JESSE P. WOLCOTT,
By HENRY O. TALLE,
RALPH A. GAMBLE,
HENRY O. TALLE,

Managers on the Part of the House.

J. W. FULBRIGHT,
WILLIS ROBERTSON,
By F. W. F.

JOHN SPARKMAN,
J. ALLEN FREAR, Jr.,
JOHN W. BRICKER,
WALLACE F. BENNETT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9852) to extend the Defense Production Act of 1950, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

EXECUTIVE RESERVE

Amendments Nos. 1 and 2: Section 3 of the House bill provided that before a person in private life may be designated as a member of the Executive Reserve he must comply with certain requirements which now apply to persons appointed to serve without compensation under the Defense Production Act. The main effect of this provision would have been to require persons designated as members of the Executive Reserve to file in the Federal Register statements of their financial interests at the time they are designated. The Senate amendments struck this provision from the bill. The Senate conferees pointed out that after this provision had been inserted in the House bill the Senate Banking and Currency Committee received extensive testimony to the effect that this amendment would hamper recruitment of Executive Reserves to the point where it would render this program virtually inoperative. After weighing the advantages and disadvantages of this provision of the House bill the conferees decided that rather than risk disruption of the Executive Reserve program this provision should be eliminated from the bill.

NICKEL SURVEY

Amendment No. 3: Under the House bill, the Secretary of Commerce was required to file an interim report on the nickel survey (discussed under amendment No. 5, below) by July 15, 1956, followed by a full report by December 31, 1956. Because of the lapse of time since the passage of the House bill, there is not sufficient time to prepare and file an interim report by July 15, 1956. Accordingly, the conferees have agreed to the Senate amendment which postponed the date of the interim report to August 15, 1956.

DISPERSAL OF INDUSTRIAL FACILITIES

Amendment No. 4: This amendment added to the House bill a new provision amending the Defense Production Act so as to declare that it is the policy of Congress to encourage geographical dispersal of industrial facilities and to provide that the Government, in building or assisting construction or improvement of industrial plants, and in procuring goods and services, shall follow the dispersal principle when practicable and consistent with existing law and the desirability of maintaining a sound economy, where such dispersal is in the interest

of national defense. The conferees have agreed to include this provision in the bill.

The amendment is designed to give an expression of congressional support and approval of the dispersal policies which the Office of Defense Mobilization and the Department of Defense have already adopted, and are carrying out. The amendment does not apply the principle of dispersal to existing plants. It does not require replacing existing industries. And it does not mean that geographical dispersal is the only, or in some cases even the principal, factor to be considered. The amendment calls for the application of the principle of geographical dispersal of industrial facilities, under the coordination of the Office of Defense Mobilization, (1) when practicable, (2) when consistent with existing law, and (3) when consistent with the desirability of maintaining a sound economy. Full recognition can and should be given under this provision to the many other factors entering into the location of industrial plants, such as access to raw materials, power, labor, and transportation.

ALLOCATIONS IN THE CIVILIAN MARKET

Amendment No. 5: This amendment added to the House bill a new provision amending section 701 (c) of the Defense Production Act which related to allocations in the civilian market. This provision was primarily directed to the difficulties that have been experienced by civilian users of nickel, particularly small-business users, in obtaining an equitable share of the civilian supply. The conferees recognize the seriousness of this situation, and are concerned over shortcomings in the present system of distributing nickel. The bill, as agreed to in conference, does not contain the Senate provision in view of the fact that the bill contains another amendment to the Defense Production Act, directing the Secretary of Commerce, in consultation with the Joint Committee on Defense Production, to make a special study of the nickel situation. This study will include, among other factors, allocation and distribution of nickel, the various uses of nickel, and resale of nickel as scrap. An interim report of the results of the study is to be made by August 15, 1956, and a final report is to be made by December 31, 1956. This report is to be made to the Senate and the House and is to include such recommendations as the Secretary of Commerce deems advisable. The final report will be made just before the next Congress convenes. This will enable the Congress to take such action as it may deem advisable with respect to the nickel situation. It should be emphasized that the existing provisions of the Defense Production Act give the President ample authority to impose allocation controls on either a general or selective basis where appropriate to alleviate this problem.

PAYMENT OF EXPENSES OF JOINT COMMITTEE

Amendment No. 6: Section 712 (e) of the Defense Production Act provides that the expenses of the Joint Committee on Defense Production shall be paid half from the contingent fund of the Senate and half from the contingent fund of the House of Representatives. Under this provision the House disbursing officer makes all the payments for committee expenses and every 6 months is reimbursed by

the Senate disbursing officer for half the payments to date. In order to eliminate this unnecessary bookkeeping and to be consistent with the general practice followed with respect to joint committees the conferees adopted the Senate amendment providing for payment of all the expenses of this committee from the House contingent fund.

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